

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Betty Lou's Inc.

#### Oregon Manufacturing Extension Partnership

#### Lean Manufacturing Processes Improve Profitability at Betty Lou's

##### Client Profile:

Betty Lou's Inc., is a nationally recognized manufacturer of nutritious fruit bars, organic snacks, cookies and vegan products. The facility in McMinnville, Oregon produces a mix of Betty Lou branded products and co-pack of contracted products. Founded in 1979, Betty Lou's offers products consistent with a high nutritional value and a health conscious lifestyle quality. The company employs 96 people.

##### Situation:

Betty Lou's faced increasing demand for production and wanted to improve financial performance as a business growth model. With a mix of production of both co-packing contracts and Betty Lou's branded products, the company needed to increase capacity. They were taking any and all production orders, rather than strategic orders that allowed them to achieve an acceptable profit margin. At the same time, the plant layout was not designed for effective workflow. The company also faced delays in shipping orders in a timely manner. They were constrained by not being able to make the product right, and on time. As a solution to the capacity constraints, Betty Lou's considered expanding to a new facility; instead, the company decided to seek gains through continuous improvement in areas such as production scheduling, plant layout, and inventory management. The company contacted the Oregon Manufacturing Extension Partnership (OMEP), a NIST MEP network affiliate, for help.

##### Solution:

OMEP provided a combination of training and Lean implementation following the Department of Labor (DOL) grant to bring Lean techniques to the food processing industry. The array of training included preparing LEP (Limited English Proficient) employees to participate, alongside their English speaking coworkers, in Lean continuous improvement activities with a Lean English Essentials class, and by developing bilingual Lean champions to help guide the implementation of Lean in the facility. As a result of OMEP training and guidance, the company adopted a more strategic, bottom-line-focused approach to contracted co-packing orders, ensuring that all costs of production were covered in the co-packing agreements; identified what could be made to order and what needed to be buffered; improved plant layout by establishing a macro level flow and then a cellular design for each processing line; reduced or eliminated non-value-added paperwork in food production by implementing pictures and templates and using videos for capturing best practices to be used as a training tool; and included LEP employees in set-up reduction and other problem-solving activities.

##### Results:

- \* Increased sales by 20 percent.
- \* Increased capacity by 20 percent.

##### Testimonial:

[www.mep.nist.gov](http://www.mep.nist.gov)



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"Our situation has changed so much since we started implementing LEAN practices that sometimes we look back and almost forget from where we came. We cannot thank OMEP enough for bringing the Lean manufacturing processes to our company. We will never be the same again!"

Betty Lou Carrier, CEO